M/045/008

Hand Delivered on July 2, 2002

Lowell P. Braxton. Division Director
Department of Natural Resources
Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Salt Lake City, Utah 84114-5801

Re: Rowley/Stansbury Basin Magnesium Operation (M/045/008), Response to Division Order #2002A

Dear Mr. Braxton:

Along with this letter we are delivering to the Utah Division of Oil Gas and Mining ("UDOGM") a set of maps indicating the areas that were disturbed by Magnesium Corporation of America ("Magcorp")) (or its predecessors) in connection with the mining of oolitic sands in the vicinity of the above-referenced operation. As you know, the mining of oolitic sand was discontinued several years ago and has been largely reclaimed. The maps are at a scale of 1"=200' and replace the larger scale maps previously provided.

In addition, we have reviewed "Attachment D" and hereby confirm that it accurately describes the Rowley facilities and operations and therefore does not require revision.

With submittal of the enclosed oolitic sand maps and the clarification regarding Attachment D, together with the various maps and information that were submitted to UDOGM by hand during June of 2002 (including the letter and information packet submitted by Magcorp and received and accepted by UDOGM on June 13, 2002, as indicated by your dated signature on same), Magcorp believes it has complied with Division Order #2002.[1]

If you have any questions or comments please call Tom Tripp at 532-1522.

Sincerely,

Michael Legge

Michael Legge

Enclosure

Cc: T. Tripp
D. Tuttle
L. Brown

[1] Nothing in this letter or the materials submitted is an admission that the information previously on file with UDOGM was legally or otherwise deficient.

Attachment D

The following is the flow scheme for the MagCorp Stansbury Basin pond system. Included is a description of the South Pumping Station facility.

1. Brine is pumped from the Great Salt Lake by three (3) 50,000gpm diesel driven pumps. The P-0 pump station is located just east of the Rowley plant in the northwest corner of Pond 1 North (1N). Brine continues south through Pond 1N. Alternatively when the elevation of the Great Salt Lake is sufficiently high, a control gate located on the North Dike is opened and Great Salt Lake brine flows into Pond 1N by gravity.

2. At the East-West dike, which separates Pond 1N and Pond 1 South (1S) brine flows south through a cement control gate and enters Pond 1S.

3. The flow continues south through Pond 1S to the P-1 inlet canal that feeds the P-1 pump station. Brine is picked up by two (2) 50,000gpm diesel driven pumps and discharged into the P-1 discharge canal.

4. East along the P-1 discharge canal brine flows into Pond 2 East East (2EE) continuing north and west through Pond 2EE

5. From 2EE brine flows into Pond 2 East West (2EW

6. Brine is then picked up by three (3) 20,000gpm diesel driven pumps at the P-2 pump station From the P-2 discharge canal brine flows west into Pond 2 West West (2WW) flowing north and east through 2WW.

7. From 2WW brine flows through a 25' wide earthen gate into Pond 2 West East (2WE) flowing south and east through Pond 2WE.

8. Brine is then picked up by two (2) 20,000gpm diesel driven pumps at the P-3 pump station. The P-3 discharges into the P-3 discharge canal.

9. Brine flows west along the P-3 discharge canal and into Pond 3-west (3W).

10. The brine flows west then east then west and back east through a series of three- (3) diversion dikes. These diversion dikes are constructed of salt that is picked up off the floor of the pond. The brine flows from Pond 3W into the 3W/3E crossover canalnal.

11. Brine flows east through the 3W/3E canal into Pond 3 East (3E). The brine flows north then south through a series of five (5) salt diversion dikes.

12. The flow enters Pond 3 Center (3C) in the southeast corner of the pond flowing east then east then west then east through a series of four (4) salt diversion dikes.

13. Once the flow reaches the P-6 pump station, a 20,000gpm diesel driven pump there are several options depending on the brine concentration.

    a- Brine can be pumped to the 100mm gallon "Bullring" reservoir, a 1600' diameter ½"steel sheet piled reservoir. Brine is stored there until needed at the Rowley plant.

    b- Brine can be pumped to the 2mm-gallon "Horseshoe" reservoir where brine can then be pumped directly to the plant through the 16-mile long brine line by a 1000gpm diesel driven pump at the P-5 pump station.

    c- Lower concentrated brine can be pumped from the Horseshoe down the brine line to the Intermediate reservoir, a 400mm-gallon earthen storage reservoir by a 5000gpm diesel driven pump at P-5 pump station. This Intermediate brine is used to fill the 3 ponds the following year.

Intermediate brine is returned to the system in early summer. Brine flows from the Intermediate reservoir, a 600-acre earthen-diked reservoir into the P-9 return canal. Flowing south along this canal the brine is picked up by a 20,000gpm diesel driven pump at the P-9 pump station and pumped into the northwest corner of Pond 3W. From there it follows the same flow pattern as already explained (#9, #10, #11, & #12).

Cargill Salt receives feed flows from pond 1N into the P-11 inlet canal. It is picked up at the P-11 pump station by three (3) 25,000gpm diesel driven pumps. It discharges into the P-11 discharge canal that runs south to Pond 11 where Cargill picks it up. The bitterns from the Cargill operation returns to the Pond 1S.